



CITY OF WATERTOWN

Watertown Housing Partnership

The Watertown Housing Partnership of the City of Watertown will hold a public meeting. Pursuant to Chapter 20 of the Acts of 2021, this meeting will only have remote opportunities for participation with public access provided as indicated below.

WATERTOWN HOUSING PARTNERSHIP MEETING TUESDAY, MARCH 15, 2022 AT 6:00 PM

AGENDA

ACCESS INFORMATION:

- A. . The meeting will be on the Public Channel Comcast 99 and RCN 15 and streaming at <http://vodwcatv.org/CablecastPublicSite/watch/3?channel=3>
- B. The Public may join the virtual meeting online: <https://watertown-ma.zoom.us/j/91712481602>
- C. Public may join the virtual meeting audio only by phone: (877) 853-5257 or (888) 475-4499 (Toll Free) and enter Webinar ID: 917 1248 1602
- D. Public may comment through email: to lfield@watertown-ma.gov prior to or during the meeting.

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1. Approval of Minutes of February 15, 2022 Meeting
 2. Watertown-Belmont Church/80 Mt. Auburn Street
 3. Housing Priorities for ARPA Funding
 4. MBTA Communities/multifamily zoning requirement
 - A. Supporting document:
 5. Updates on pending matters:
 - A. Emergency Rental Assistance Program
 - B. Watertown Affordable Housing Trust
 - C. Nexus study
 - D. St Joseph's Hall elevator replacement
 6. Other Business

POTENTIAL HOUSING PRIORITIES FOR ARPA FUNDING

For discussion purposes only 3/15/22

Id	Housing Priority	Strategy	Specific Example	Potential Cost	Timeline
1a	Production of new affordable units	2A	Allocation to affordable housing trust for pre-development activities, with condition that funds support units at/below 65% AMI	\$250,000	Commitment in 2022, use by 12/31/2026
1b		2A, 2B, 3C	Commitment to specific affordable housing projects in pipeline	\$500,000 103 Nichols Ave	Same
2	Deepening affordability of new affordable units	2C	Work with developer to shift inclusionary units from 80% to 65% AMI thresholds	\$300,000-400,000 over 3 years	Commitment and use by 12/31/2024
3	Critical capital improvements for public housing	2B	WHA needs funding for critical building and site improvements at McSherry Gardens	Phase 1: \$643,000 Stormwater: \$250,000 Phase 2: \$1.5M+	Commitment in 2022, use by 12/31/2026
4	Critical capital improvements for other affordable developments	5C	Marshall Place needs funding for critical building improvements, e.g. for elevator modernization and accessibility	\$225,000 or more	Commitment and use by 12/31/2024
5	Rental assistance	5D	Program targeted at below 65% AMI	\$600,000 over 3 years	Commitment in 2022, use by 12/31/2024
6	Counselling to promote housing stability	5D	Case worker to assist tenants, e.g. by identifying resources and developing realistic plan for household	\$100,000-200,000 over 3 years	Commitment in 2022, use by 12/31/2024

PRIORITY 1: Production of new affordable units

1a: Allocation to affordable housing trust for pre-development activities, with condition that funds support units at/below 65% AMI

The City Council authorized formation of a Watertown Affordable Housing Trust in November 2021. The City Manager's office is currently in the process of selecting six trustees for confirmation by the Council. When the formation process is completed later this year, it will need investment capital for its first years of operation.

The Trust will engage in pre-development investment in potential affordable housing projects and, in particular, work with developers to identify sites for such housing. The Trust's investment could include helping to obtain site control or funding "due diligence" on a proposed project, such as a feasibility analysis or site testing. This is a role that will complement the work of the Community Preservation Committee. While there will be a CPA funding round each year--and the CPC may consider urgent requests between rounds—the Trust can fund pre-development activities that lead to better CPA applications.

In order to be an eligible use of ARPA funds, the Trust likely will need to enter into a written agreement that the funds be used for an affordable housing project targeted at below 65% AMI and that the funding will meet ARPA timing requirements.

1b: Commitment to specific affordable housing projects in pipeline

103 Nichols Avenue: Watertown Housing Authority has proposed building six special needs units on a vacant site owned by the Authority. 103 Nichols Avenue would serve as a group home to serve adult men and women with distinct degrees of intellectual and developmental needs. The WHA has identified state resources to provide operating subsidies for the units. To fund the building and site improvements, the WHA is currently asking the Community Preservation Committee for about \$939,000, the state for \$398,000 and expects a \$187,000 first

mortgage. On February 15, the WHP voted to recommend a \$500,000 contribution from ARPA funds if CPA and/or other funds are committed for the remainder.

PRIORITY 2: Deepening affordability of new affordable units

Work with developer to shift inclusionary units from 80% to 65% AMI thresholds.

While there is a substantial gap between market rents and rents collected from households at 80% AMI, the gap is narrower between 80% and 65% AMI. In concept, a developer should be willing to accept a lump sum payment in year 1 in return for lower rents over the course of a finite period (e.g., 30 years). Pricing that trade-off is tricky because it depends on projecting alternative future returns. Unfortunately, we could not identify any specific examples where a municipality and developer agreed to such a “buy down” of rental units. Using a variety of approaches, we estimate that it would cost \$60,000 to \$80,000 per one bedroom unit for 30 years.

It is also hard to project how many inclusionary units at 80% AMI will be created before 12/31/2024—or how many units a developer would be willing to negotiate down to a 65% AMI level. Assuming that funding can deepen affordability for 4 or 5 units over 30 years, \$300,000 to \$400,000 is a projected cost. It may also be worthy considering “buying” a shorter period of deeper affordability.

PRIORITY 3: Critical capital improvements for public housing

WHA needs funding for critical building and site improvements at various sites.

McSherry Gardens: The Watertown Housing Authority is currently proposing a two-phase capital improvement at the McSherry Gardens elderly complex (40 units). The first phase involves an addition to the Community Building to provide accessible common space and an addition to Building 3 to make one unit accessible. Phase 1 also involves site improvements to provide accessibility. This phase was permitted by the Zoning Board of Appeals in 2021. While the WHA has funding for most of this phase, a \$643,000 gap remains. In addition, this phase requires stormwater improvements (\$250,000) for which there is no funding source.

Phase 2 at McSherry Gardens involves modernizing the kitchens and flooring in most of the complex. Assuming a construction start in June 2023, the kitchen renovations would cost approximately \$897,000 (32 units) and flooring approximately \$618,000 (38 units) for a total of \$1.515 million. This would include design and abatement costs. No zoning approval would be required. No funding has been identified for this phase.

PRIORITY 4: Critical capital improvements for other affordable developments

Marshall Place: This historic building contains 11 affordable apartments for seniors. The project needs funding for critical building improvements: 1) elevator modernization at approximately \$200,000, with additional cost for temporary relocation of some tenants; 2) accessibility, water-saving, and entrance improvements at approximately \$18,000. The total would be more than \$250,000.

PRIORITY 5: Rental assistance

Program targeted at below 65% AMI: The City could offer rental assistance to households that are income-eligible (below 65% AMI). Before proposing such a program, discussion should include the following points:

- Should applicants be required to show COVID impact or should that be presumed because of their income level?
- Should rental assistance to a household be limited to a fixed number of months?
- Should rental assistance be available to households who are receiving other public housing assistance?
- Should rental assistance be conditioned upon application for other housing resources (e.g., RAFT)?
Conditioned on meeting with a case worker?
- Should the amount of rental assistance be capped at a certain amount per bedroom or cover a certain percentage of rent?

PRIORITY 6: Counselling to promote housing stability

Case worker to assist tenants, e.g. by identifying resources and developing realistic plan for household.

Between 2013 and mid-2021, Wayside operated its Watertown Social Services Resource Specialist (SSRS) Program with one case worker funded by the City. In mid-2021, Wayside received funding from the Watertown Community Foundation to add a second, half-time case worker. The WCF funding expires on July 31, 2022 and it is not clear whether the Foundation will continue this support.¹

SSRS counseling covers the full range of issues experienced by client households, including mental health and addiction. Even before COVID, a substantial percentage of the cases involved housing issues. Wayside helped clients find public rental assistance (public housing, Section 8, affordable units) and worked with clients in crisis (notices to quit, need for emergency shelter, etc). COVID increased demand for such counseling. Wayside referred clients to Watertown's emergency rental assistance program funded by City/Community Foundation resources and helped clients apply for state RAFT/ERMA money.

If the City wished to support a case worker sited at Wayside, options include using ARPA money to fund: 1) the current half-time case worker if the WCF cannot continue its support, 2) a full-time case worker with additional WCF support, or 3) a full-time case worker without WCF help. The estimated yearly cost of a full-time Master's level clinician with foreign language fluency is \$65,000. Depending on the option chosen, the three-year cost is in the \$100,000 to \$200,000 range.

¹ The City's SSRS funding is also subject to annual budget appropriation.



CITY OF WATERTOWN

Department of
Community Development and Planning
Administration Building
149 Main Street
Watertown, MA 02472
Phone: 617 972 6417
Fax: 617 972 6484
www.watertown-ma.gov

To: City Council President Mark Sideris
From: Steve Magoon, Director of Community Development and Planning and
Acting Deputy City Manager
Date: February 18, 2022
Re: Multifamily Zoning Requirement for MBTA Communities

Summary

By the end of 2022, Watertown must have a plan for complying with the Commonwealth's multifamily zoning requirement for MBTA communities. To achieve the best outcome, the City should submit written comments to the Commonwealth by March 31 advocating for a change in the "bus station" definition proposed in the draft guidelines. I would like to brief the Council on this issue at its February 23 meeting.

The Commonwealth issued Draft Guidelines for the Multi-Family Zoning Requirement for MBTA Communities on December 15. Watertown is required to have at least one zoning district of "reasonable size" in which multi-family housing is permitted "as of right" within ½ mile of a transit station. Unfortunately, the guidelines define "bus station" in a narrow way, leaving us with no transit station within our borders. Under the draft guidelines, we are required to use Belmont's Waverly commuter rail station as the focal point of our multifamily zoning district.

Based on an initial review of the Watertown area within ½ mile of Waverly Station, the zoning is primarily two-family, the area is completely built-out at near the highest density allowed and contains St. Patrick's cemetery. This area also has very limited connectivity to Waverly Station and few features that would make it a logical location for multifamily zoning.

To avoid this counter-productive outcome, we should advocate for a bus station definition that would allow us to consider the area around Watertown Square (using Watertown Yard as the transit station).

Timeline for Compliance

The Commonwealth set the following deadlines:

- The deadline for submitting comments is **March 31, 2022**.
- While the Commonwealth's Department of Housing and Community Development (DHCD) is finalizing the guidelines, it is requiring that every MBTA community hold a briefing of its Council or Select Board on the guidelines no later than **May 2, 2022**. Communities must also submit an information form by that same date.
- After DHCD finalizes the guidelines this summer, communities must determine whether they already comply or, if not, work on a rezoning plan.
- Every MBTA community must submit by **December 31, 2022** a request for determination of compliance or a proposed action plan to achieve compliance.

Draft Guidelines¹

Under the 2021 economic development bill, the Zoning Act was amended to require that every MBTA community have at least one zoning district of reasonable size in which multi-family housing is permitted as of right at a minimum gross density of 15 units per acre. By statute, the district must be not more than ½ miles from a commuter rail station, subway station, ferry terminal or bus station, if applicable. The statute defines Watertown as an MBTA community. Regardless of whether we have a transit station within our borders we must comply with the multifamily zoning requirement.

An MBTA community that does not comply is ineligible for funding from: the Housing Choice Initiative, the Local Capital Projects Fund, or the MassWorks Infrastructure Program.

Under the draft guidelines, a bus station is defined as:

a building located at the intersection of two or more public bus lines, within which services are available to bus passengers; provided that a bus station does not include a shelter or other structure without walls and a foundation.

This definition means that Watertown has no bus station. Watertown Yard is the intersection of more than two public bus lines but its two buildings are not available to passengers.

Watertown Square is the intersection of more than two public bus lines but with no building.

However, the transit station does not need to be within the city's borders. Belmont's Waverly commuter rail station is close to our northwest corner and around 50 acres in Watertown are

¹ The proposed guidelines are available at: mass.gov/mbtacommunities.

within ½ mile of that station. As written, the guidelines require Watertown to comply by creating a multifamily zoning district in a location that makes little sense.

Advocating for Better Guidelines on the Bus Station Definition

If Watertown Yard was deemed a bus station, a complying district can be crafted within the existing Central Business, Limited Business, and possibly Industrial-3 zones without completely rewriting our zoning.² A multifamily zoning district in the Watertown Square area would align with an existing vision of denser, mixed use development. Even the transit-connectivity of such a district is better: Watertown Square has multiple bus lines and pedestrian access. We believe there are solid arguments for rewriting the bus station definition to include locations like Watertown Yard. To advocate for changing this definition, I am asking that the Council authorize filing of a written comment with the Department of Housing and Community Development by March 31, 2022.

² While the district must have a transit station hook, a community is not required to rezone all of the land area within ½ mile radius. For example, there is no need to touch two-family zones that happen to be within ½ mile. There are over 62 acres now zoned CB, LB or I-3 within the ½ mile radius of Watertown Yard.